

EDIF SUPPORT TECHNICAL ASSISTANCE – ACTION FACTSHEET

Action / Programme Name:

From Ideas to Markets: Technical Assistance on Venture Capital and Investment Readiness in the Western Balkans

IFIs in charge:

World Bank

Contact details:

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Start date:

August 2014

Expected end date:

December 2016

Scope / Objectives of the initiative:

This technical assistance has two main objectives:

- (i) Provide an assessment of the ecosystem for venture capital activities in Albania, Croatia, the Former Yugoslav Republic of Macedonia, and Serbia and contribute to its improvement through policy advice and support to institutional and policy reforms; and
- (ii) Increase the investment readiness of entrepreneurs in Croatia, Kosovo*, the Former Yugoslav Republic of Macedonia, Montenegro, and Serbia by assisting with the design and implementation of a pilot program for 'mentoring/nurturing' the transformation of entrepreneurial ideas into 'investment/business propositions.

Rationale within EDIF:

This technical assistance (TA) is geared to facilitate access to equity finance for innovative firms. The TA provides supply- and demand-side interventions aimed at promoting equity finance for innovative firms and help develop high-quality pipeline for ENIF.

Services provided by the programme:

This TA will provide recommendations for Clients on how to improve their regulatory/legislative environment in order to stimulate venture capital activity. At the same time, it will provide mentoring services to innovative firms to help them become investment ready.

Target Beneficiary(ies):

The project's main beneficiaries are ministries and government agencies in charge of economy, research and innovation, especially for component 1, and innovative start-ups and SMEs for component 2.

Countries coverage:

Component 1: Albania, Croatia (TBD), the Former Yugoslav Republic of Macedonia, and Serbia; and Component 2: Croatia, Kosovo, the Former Yugoslav Republic of Macedonia, Montenegro, and Serbia

Milestones achieved to date:

Component 1: The World Bank Team has presented an analytical framework to conduct the assessment of the VC ecosystem. The framework was reviewed by the Steering Committee, Donors, and Partners. The

World Bank Team is having bilateral conversations with beneficiary countries to tailor the assistance to the particular needs of the Client.

Component 2: The World Bank Team has made improvements in the design of the impact evaluation and it has identified potential partners to provide the investment readiness program. At this moment, the Team is conducting the evaluation of proposals and the selection of the partner. Since this impact evaluation is complex and involves several stages, the Team is going through a rigorous assessment that can take 1-2 additional months.

Main milestones before project completion:

Component 1:

- Tailoring the assistance to the particular needs of each client.
- Review of the legislative and institutional frameworks pertaining to venture capital activities
- Review of country's legislations and institutional framework
- Consultations with relevant stakeholders; national and regional roundtables
- Drafting of country reports
- Assistance to the preparation of draft legislation and to the development of policy consensus in selected countries
- Knowledge sharing activities

Component 2:

- Detailing the design of the program and its selection/preparation, including governance structure, selection criteria and evaluation strategy
- Selection of the providers of the mentorship activities
- Implementation of the program
- Impact assessment
- Knowledge sharing activities